

201 KAR 1:180. Safe harbor language for nonlicensees to use in connection with a compilation of financial information.

RELATES TO: KRS 325.380(4)

STATUTORY AUTHORITY: KRS 325.240, 325.380(4)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 325.380(4) requires Kentucky State Board of Accountancy to issue an administrative regulation that contains language that a nonlicensee may use in preparing a compilation of financial information.

Section 1. Definitions. "Compilation of financial information" means a presentation of financial data, including accompanying notes, derived from accounting records and intended to communicate an entity's economic resources and obligations at a point in time or the changes therein for a period of time and does not contain any reference to or language found in generally-accepted accounting standards and generally-accepted accounting principles.

Section 2. Pursuant to KRS 320.380(4), nonlicensees may use the following language in connection with a compilation of financial information and not be in violation of the provisions of KRS Chapter 325 and the accompanying administrative regulations: "The accompanying balance sheet (or _____) of XYZ Company as of 20__ and the related statements of income, (or retained earnings, or cash flows) for the year then ended have been prepared by me (us). The information presented in these financial statements is the representation of management (owners)." (28 Ky.R. 1724; eff. 4-15-2002; Crt eff. 4-9-2019.)